



ENVIROLOGIC TECHNOLOGIES INC.

March 4, 2008

Ms. Cathy Annis
St. Joseph County Brownfield Redevelopment Authority
612 East Main Street
Centreville, MI 49032

Re: Americraft Carton Site, 306 Magnolia Street, Sturgis, Michigan.

Dear Ms. Annis:

At the request of the St. Joseph County Brownfield Redevelopment Authority (BRA), Envirologic Technologies, Inc. (Envirologic) completed additional environmental assessment activities at the above-referenced site.

The former Sutton Tool site was acquired by the City of Sturgis in approximately 2004-2005. At that time, the City retained Triad Environmental Services to complete a Phase I Environmental Site Assessment (ESA) of the property. That Phase I ESA did not identify any concerns at the property related to the potential for soil and groundwater contamination. Subsequently, the property was purchased by Americraft Carton.

To secure financing for development on this property, Americraft Carton provided Key Bank with the 2004 Phase I Environmental Site Assessment. Key Bank expressed reservations about the quality of the Phase I ESA and its conclusions. As a result, Key Bank indicated completion of a Phase II Environmental Site Assessment was warranted for their evaluation of the property. Specifically, Key Bank expressed concerns for the neighboring Harter Corporation site citing the possibility of contamination emanating from that site.

Envirologic conducted additional assessment activities to supplement the existing Phase I ESA. Envirologic accessed the following information:

- The Phase I Environmental Site Assessment for the site dated August 18, 2004 (Triad Environmental).
- An environmental database report produced by Environmental Data Resources, Inc.
- Aerial photography from 1938, 1950, 1955, 1960, 1967, 1974, 1981 and 1992 available from various agencies and made available from Environmental Data Resources, Inc. through an aerial photograph decade package (i.e., one aerial photograph per decade).
- Aerial photography available from the City of Sturgis dated 1946, 1971, 1988, 1996 and 2005.
- A Sanborn Fire Insurance Map dated 1959.

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- Documentation was requested from the MDEQ Kalamazoo District Office Remediation and Redevelopment Department for the neighboring Harter Corporation Site and MDEQ indicated no file information exists for the site.
- City records pertaining to the Sutton Tool site available from the City Engineering Department, Fire Department and Sewer Department.

The information reviewed by Envirologic generally supported the review and conclusions of Triad Environmental's 2004 Environmental Assessment.

The 1938 aerial photograph shows the property to be vacant and undeveloped. This supports the review of City directories which indicated that the site was first developed for industrial purposes in 1940 when Laughlin Tool and Engineering Company first constructed a building on the site. Subsequent aerial photographs show the building occupying the northwest portion of the property with parking areas on the western half of the property. It appears that the southern half of the building may have had loading docks on the west side of the building as aerial photographs show what appears to be semi trailers and concrete pads on this portion of the site. In the 1971 aerial photograph, approximately 12 drums are depicted south of the building in a small space between the former Sutton Tool building and the Americraft Carton building to the south. In the 1988 aerial photograph, approximately 30 drums were located on the southern portion of the site. In both circumstances, it would appear that the drums were stored on top of the asphalt pavement that was in this area of the site. By the time of the 1996 aerial photograph, there was no outdoor storage.

The 1959 Sanborn map shows the site as it appears on aerial photography listing Sutton Tool Company as the occupant at the time. The map does not provide any reference to chemical storage or underground storage tanks or other environmental concerns typically referenced by Sanborn Maps.

Fire Department records do not indicate the presence of any USTs on the site. An undated building record does indicate that a small amount of flammable solvent was used for parts cleaning. Additionally, fire department records make reference to an area of the building used for heat treating involving a salt/cyanide bath. Sutton Tool was not listed as a generator of hazardous wastes and the reference to cyanides in the heat treating process does not correlate with the lack of hazardous waste activity. Heat treating processes using cyanides would result in the regular production of cyanides bearing quench oils or quench water. The lack of notification of such waste production could infer that waste quench water was discharged to the municipal sanitary sewer.

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Sewer department records show two separate connections from the building, one into municipal sanitary sewer lines and the other into the municipal storm sewer line. One floor drain was noted in the former facility in the 2004 Phase I ESA. The drain was reportedly on the south side of the building, similar to a location depicted on a city site sketch. Thus, it appears that this drain was the connection to the storm sewer. It is not clear what the purpose of the drain was and what material was potentially discharged. Based on aerial photography, it would appear that the heat treat room would have been near the middle of the building.

A search of available records was conducted by Environmental Data Resources, Inc. This review included a search for properties listed on environmental databases within a specified radius as prescribed by the ASTM E1527-05 Standard. The site was listed on the federal FINDS and RCRA databases based on an inspection in 1992 that indicated Sutton Tool was not a generator of hazardous waste. There was no record of any violations on the database and it appears that at that time, Sutton Tool Co. was not handling hazardous waste.

The neighboring Harter Corporation site identified by Key Bank as a concern was not listed on the environmental databases. Additionally, MDEQ had no information regarding this site.

The additional historical information does not offer any evidence that directly contradicts the previous Phase I Environmental Site Assessment. However, additional information was discovered regarding the practice of heat treating at the site. An undated fire department record indicates the practice of heat treating using salt cyanide baths. However, the absence of any records indicating the generation of hazardous wastes does not correlate with the use of cyanides. The same fire department record indicated small amounts of flammable solvent for parts cleaning. As evidenced in two aerial photographs (1971 and 1988), Sutton Tool had a practice of storing 55-gallon drums outdoors. The content of these drums is not known.

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The absence of specific information regarding chemical and waste handling practices at the site combined with the fire department record indicating that cyanides were used on site along with evidence of the storage of 55-gallon drums outdoors is considered a Recognized Environmental Condition based on the *potential* for environmental impairment. At the State level, hazardous waste regulations were not in effect until 1979. Thus, the potential historical practices on site prior to this date may have been less conscientious than practices typically employed today. While there is no direct evidence of a release of hazardous substances, the above-noted factors point to the potential for such a release. It would be necessary to collect and analyze soil and/or groundwater samples to demonstrate that such a release has not occurred.

Please do not hesitate to contact our office at (269) 342-1100 should you have any questions regarding this matter.

Sincerely,

ENVIROLOGIC TECHNOLOGIES, INC.

Handwritten signatures of David A. Stegink and Erik D. Peterson. The signature of David A. Stegink is on the left, and the signature of Erik D. Peterson is on the right.

David A. Stegink
Associate Vice President

Erik D. Peterson
Project Manager